

THE OFFICE OF REGULATORY STAFF

DIRECT TESTIMONY

OF

WILLIE J. MORGAN

SEPTEMBER 2, 2008



DOCKET NO. 2008-142-WS

**Application of Goat Island Water and Sewer
Company, Incorporated for an Increase in its
Rates and Charges for the Provision of Water
and Sewer Services and Approval of
Management Agreement**

DIRECT TESTIMONY OF WILLIE J. MORGAN

FOR

THE OFFICE OF REGULATORY STAFF

DOCKET NO. 2008-142-WS

IN RE: APPLICATION OF GOAT ISLAND WATER AND SEWER

COMPANY, INCORPORATED FOR AN INCREASE IN ITS RATES

AND CHARGES FOR THE PROVISION OF WATER AND SEWER SERVICES

AND APPROVAL OF MANAGEMENT AGREEMENT

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND
OCCUPATION.**

A. My name is Willie J. Morgan, and my business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina Office of Regulatory Staff (“ORS”) as the Program Manager for the Water and Wastewater Department.

**Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND
EXPERIENCE.**

A. I received a Bachelor of Science Degree in Engineering from the University of South Carolina in 1985 and a Master of Arts Degree in Management from Webster University in 2000. I am a licensed Professional Engineer registered in the State of South Carolina. My professional affiliations include membership in the American Water Works Association (“AWWA”), the South Carolina Section of the American Water Works Association (“SC-AWWA”) and

1 the National Society of Professional Engineers (“NSPE”). After graduating from
2 the University of South Carolina, I was employed by the South Carolina
3 Department of Health and Environmental Control (“DHEC”) as an Environmental
4 Engineer Associate. Later, I was promoted to the position of Permitting Liaison
5 where I assisted industries and the public with environmental permitting
6 requirements in the State of South Carolina. This assistance included providing
7 information about air quality, solid and hazardous waste management, and water
8 and wastewater management requirements. I was employed by DHEC for
9 nineteen years. In October, 2004, I joined ORS as the Program Manager for the
10 Water and Wastewater Department.

11 **Q. DO YOU HAVE ANY PUBLICATIONS TO YOUR CREDIT?**

12 A. Yes.

13 **Q. WHAT ARE THE NAMES OF SOME OF THOSE PUBLICATIONS?**

14 A. While at DHEC, I published several editions of a document called “A
15 General Guide to Environmental Permitting in South Carolina.” This guide is a
16 summary of the various environmental requirements that affect businesses and
17 industries located or operating within the State of South Carolina. Another
18 publication I authored includes a document called “Environmental Protection
19 Fees.” This document is a summary of the fees charged for environmental
20 programs. It includes detailed information about the fees collected by water
21 utilities to implement the Safe Drinking Water Act Regulatory Program, fees
22 collected from wastewater utilities to manage the National Pollution Discharge

1 Elimination System (“NPDES”) Program, and fees collected for construction
2 activities associated with water and wastewater utilities.

3 **Q. HOW LONG HAVE YOU PROVIDED REGULATORY OVERSIGHT**
4 **AND ENGINEERING SERVICES TO WATER AND WASTEWATER**
5 **FACILITIES?**

6 A. I have over twenty-two years of regulatory compliance experience
7 providing assistance and regulatory oversight for water and wastewater facilities
8 and services.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
10 **PROCEEDING?**

11 A. The purpose of my testimony is to set forth the ORS staff findings relative
12 to my review of the rate increase application submitted by Goat Island Water and
13 Sewer Company, Inc. (“Goat Island”). Specifically, I will focus on Goat Island’s
14 compliance with the Public Service Commission of South Carolina’s
15 (“Commission” or “PSC”) rules and regulations, ORS’s Business Compliance
16 Review of Goat Island’s water and wastewater systems, test-year revenue and
17 proposed revenue, and performance bond requirement.

18 **Q. ARE THE FINDINGS OF YOUR REVIEW CONTAINED IN THIS**
19 **TESTIMONY AND ACCOMPANYING EXHIBITS?**

20 A. Yes, my testimony and the attached exhibits detail ORS’s findings and
21 recommendations.

22 **Q. PLEASE EXPLAIN HOW YOU COMPILED INFORMATION FOR YOUR**
23 **TESTIMONY AND EXHIBITS.**

1 A. I used ORS Business Office Compliance Review results, information
2 provided by Goat Island in its application and additional information provided by
3 Goat Island during the course of our business review and facility site inspections.
4 I also reviewed Goat Island's financial statements and performance bond
5 documents submitted to the Commission.

6 **Q. PLEASE PROVIDE AN OVERVIEW OF THE LOCATIONS, SERVICE**
7 **TYPES AND CUSTOMER BASE SERVED BY GOAT ISLAND.**

8 A. Goat Island is a public utility providing water supply/distribution services
9 and wastewater collection/treatment services. Goat Island is a NARUC Class C
10 water and wastewater utility according to water and sewer revenues reported on
11 its application for the test year ending June 30, 2007. According to Goat Island's
12 application for the test year ending June 30, 2007, water supply/distribution
13 services were provided to 623 residential and commercial customers, and
14 wastewater collection and treatment services were provided to 96 residential and
15 commercial customers. All of Goat Island's customers are located in Clarendon
16 County.

17 **Q. PLEASE EXPLAIN EXHIBIT WJM-1 OF YOUR REPORT.**

18 A. Exhibit WJM-1, consisting of three pages, provides a summary of the
19 Business Office Compliance Review completed by ORS. During the Business
20 Office Compliance Review, ORS reviewed Goat Island's office records to
21 determine compliance with Commission rules and regulations. Goat Island
22 utilizes a computer database to capture customer account transactions. Goat

1 Island has met the 2007 Annual Report and Gross Receipts reporting
2 requirements.

3 During the Business Office Compliance Review, ORS reviewed billing
4 records which documented Goat Island was charging one commercial customer a
5 rate different from the rate approved by the Commission in Order No. 1999-625
6 in Docket No. 1997-131-W during the test year ending December 31, 2007. This
7 commercial customer was being charged a negotiated flat rate of \$135 per month.
8 This customer receives water service from the Sigfield water system and the
9 Commission approved rate for this type of commercial customer is as follows:

10 1" tap

11 Base Facilities Charge = \$123.00

12 0 to 2,000 gallons = \$3.00 per gallon

13 2,001 to 5,000 gallons = \$3.18 per 1,000 gallon

14 Each 1,000 gallons over 5,000 gallons = \$3.35 per 1,000 gallon

15 **Q. PLEASE EXPLAIN EXHIBIT WJM-2 OF YOUR REPORT.**

16 A. Exhibit WJM-2, consisting of seven pages, is a summary of the water
17 supply/distribution systems and wastewater collection and treatment systems
18 inspected by ORS on July 8, 2008.

19 **Water Supply/Distribution**

20 Goat Island currently provides adequate water supply/distribution services
21 to its residential and commercial customers. Water is provided to customers by
22 Goat Island from onsite system wells. Required operator logs were kept at the
23 facilities audited by ORS. As required by the Commission's regulations, general

1 housekeeping items including system entry points, access roads and signage were
2 satisfactory during the audit. Potable water consumption is metered to one
3 commercial customer. No substantial construction activity is proposed by Goat
4 Island for its water supply and distribution systems and no immediate need exists
5 for any major upgrade to the current system. Goat Island does appear to respond
6 to customer complaint issues concerning the system in a timely manner.

7 **Wastewater Collection and Treatment Systems**

8 Goat Island provides wastewater collection/treatment at one location under a no
9 discharge permit. Wastewater is collected from the residential and commercial
10 customers, treated in a series of lagoons, and discharged to a nearby sprayfield.
11 No substantial construction activity is proposed by Goat Island for its wastewater
12 collection and treatment system and no immediate need exists for any major
13 upgrade to the current system.

14 **Q. DOES ORS RECOMMEND ANY ADJUSTMENTS TO THE TEST YEAR**
15 **WATER AND SEWER SERVICE REVENUES OF GOAT ISLAND?**

16 A. Yes. ORS completed a thorough review of Goat Island's customer water
17 and sewer revenue calculations for the test year. Based on that review, ORS made
18 revenue adjustment totaling \$1,272 to Goat Island's test year sewer service
19 revenues. These revenue adjustments normalize the customer billing information
20 provided by Goat Island. ORS imputed test year revenue based on customer
21 billing information provided in the original application and supplemental
22 customer data provided by Goat Island. Commission approved rates were applied
23 to all customers. Goat Island did not maintain monthly water consumption

1 records for its customers during the test year and no consumption rates were used
2 in ORS' test year revenue calculation.

3 **Q. EXPLAIN THE TEST YEAR WATER AND SEWER SERVICE REVENUE**
4 **AMOUNTS COMPUTED BY ORS FOR GOAT ISLAND.**

5 A. Exhibit WJM-3 summarizes Goat Island's service revenues for the test
6 year ending June 30, 2007. ORS used Goat Island's current rates as approved by
7 the Commission and proposed rates as reflected in the application for each
8 calculation.

9 In summary, ORS calculated Goat Island's test year service revenue for
10 residential and commercial sewer operations, as adjusted, of \$194,316. For
11 comparison purposes, ORS calculated Goat Island's proposed residential and
12 commercial sewer service revenues, as adjusted, of \$252,608 for Phase I and
13 \$308,148 for Phase II. ORS did not factor customer growth into these service
14 revenue comparisons. As shown in Exhibit WJM-4, the projected growth for
15 Goat Island is approximately 0.895% for water service. There is no growth
16 expected for sewer service.

17 **Q. EXPLAIN THE ACCESS FEE REVENUE CATEGORY REFLECTED ON**
18 **EXHIBIT WJM-3.**

19 A. ORS proposes to include \$168 in Access Fees to Goat Island's test year
20 total revenues. The Access Fee is charged to customers who have a water tap, but
21 are not currently using the system. ORS' review confirmed Access Fees paid by
22 customers are used for the maintenance and operation of Goat Island's water

1 systems. This adjustment is reflected in ORS Audit Exhibit SGS-2 provided by
2 Sharon Scott.

3 **Q. PLEASE EXPLAIN EXHIBIT WJM-5 OF YOUR REPORT.**

4 A. Exhibit WJM-5 is a summary of the current PSC approved rates for Goat
5 Island and Goat Island's proposed rates.

6 **Q. ON WHAT BASIS DOES ORS MAKE DEPRECIABLE SERVICE LIFE**
7 **RECOMMENDATIONS?**

8 A. ORS recommendations are based on the conclusions outlined in the
9 Florida Public Service Commission Water and Wastewater System Regulatory
10 Law as recommended by the NARUC staff. ORS's approach and conclusions
11 made concerning depreciation are consistent with the Public Utility Depreciation
12 Practices manual as published by NARUC in 1996. No adjustments were made
13 since the impact from the use of the various assets was considered normal.

14 **Q. PLEASE EXPLAIN THE STATUS OF THE PERFORMANCE BOND FOR**
15 **GOAT ISLAND.**

16 A. Goat Island has a current performance bond filed with the Commission for
17 water and sewer operations which use a Personal Financial Statement as surety in
18 the amount of \$100,000 for water and \$100,000 for wastewater. Based on the
19 expenses from the test year and using the criteria set forth in 26 S.C. Code Regs.
20 103-512.3.1 and 103-712.3.1, ORS determined that the face amount of Goat
21 Island's bond should be \$135,000 for water operations and \$100,000 for
22 wastewater operations (Exhibit WJM-6). Goat Island's adjusted bonding criteria
23 expenses for the test year were \$132,636 for water operations and \$28,815 for

1 wastewater operations. Combined bonding criteria expenses, as adjusted totaled
2 \$161,451 for the test year ending June 30, 2007. ORS respectfully requests that
3 the Commission increase the Goat Island performance bond requirements for
4 water and wastewater operations to \$135,000 and \$100,000 respectively as it is in
5 the public interest for Goat Island to obtain a bond that satisfies the criteria as set
6 forth in S.C. Code Ann. Section 58-5-720 (Supp. 2007).

7 **Q. DOES ORS OPPOSE GOAT ISLAND'S PROPOSED MODIFICATION TO**
8 **ITS TARIFF LANGUAGE REGARDING TERMS AND CONDITIONS**
9 **RELATED TO SEWER SERVICE ADMINISTRATIVE AND LEGAL**
10 **FEES FOR DELINQUENT ACCOUNTS?**

11 A. No. ORS does not oppose Goat Island's proposed modification of terms
12 and conditions listed in its proposed tariff for the authority to recover
13 administrative and legal fees from delinquent accounts. These fees include a
14 notification fee of \$10 and a customer account charge for new customers of \$25.

15 **Q. DOES ORS OPPOSE THE SEWER PUMPING CHARGE PROPOSED BY**
16 **GOAT ISLAND?**

17 A. No. The \$150 pumping charge outlined in Goat Island's application is
18 reasonable, and ORS would not oppose this rate provided the customers are given
19 adequate time from the date of the bill statement to pay this pumping charge.

20 **Q. DOES ORS OPPOSE THE PROPOSED SEWER RECONNECTION FEE**
21 **IN GOAT ISLAND'S APPLICATION?**

22 A. No. The proposed \$250 fee is consistent with the Commission regulations
23 provided that the customer is physically disconnected from the system. Goat

1 Island will only apply the \$250 fee in situations where an elder valve or similar
2 cutoff device does not exist and the customer has been physically disconnected
3 from the sewer system. ORS does not oppose the \$35 reconnection fee as
4 outlined in the application because it is consistent with Commission Order No.
5 94-367 for those instances where an elder valve or similar cutoff device is in use.

6 **Q. HAS GOAT ISLAND REQUESTED AN INCREASE FOR ITS SEWER**
7 **TAP FEE?**

8 A. Yes. Goat Island has an approved tap fee for a sewer connection of \$450.
9 The new rate proposed by Goat Island is \$500 per Single Family Equivalent
10 (SFE). After reviewing Goat Island's records, ORS does not oppose the requested
11 increase in the sewer tap fee charge as it is cost justified. The new sewer tap fee
12 rate should enable Goat Island to recover the costs associated with establishing
13 the initial service connection for sewer service.

14 **Q. WHAT IS ORS'S POSITION REGARDING GOAT ISLAND'S PROPOSED**
15 **MONTHLY RATE FOR SEWER COLLECTION ONLY CUSTOMERS?**

16 A. Goat Island provides no supporting justification for the sewer collection
17 only rate in its Application. Currently, there are no customers classified as sewer
18 collection only and ORS is not aware of any customer classification changes
19 contemplated by Goat Island. ORS recommends the Commission deny this
20 particular rate request because Goat Island has not provided justification and pro
21 forma revenue and costs information associated with this proposed rate.

22 **Q. DOES ORS OPPOSE THE MANAGEMENT AGREEMENT PROPOSED**
23 **GOAT ISLAND?**

1 A. No. The management agreement offers an efficient and effective method
2 for the management of Goat Island water and wastewater systems. The skills of
3 the managing agent, Professional Irrigation, will enable the utility to continue to
4 provide quality service to the customers of Goat Island. According to the
5 contract, the managing agent will be responsible for various operational aspects of
6 Goat Island such as maintenance of system infrastructure, water production and
7 distribution systems oversight, wastewater collection and disposal oversight,
8 customer account management, maintenance of utility financial records, and all
9 other duties required to operate and maintain the systems in good working order
10 and in compliance applicable laws and regulations. Also, the owner of
11 Professional Irrigation, Timothy Oliver, has a South Carolina Class "D" Water
12 Treatment and a Class "G" Water Distribution Operator license, which is required
13 for proper operation of the Goat Island water systems.

14 **Q. DOES ORS SUPPORT GOAT ISLAND'S USE OF METERS TO**
15 **MEASURE WATER SERVICE TO CUSTOMERS?**

16 A. Yes. ORS supports the use of meters by water utilities. Metering water
17 consumption is good utility practice because it encourages water conservation,
18 fairly allocates cost of service, and helps to detect water leaks in the distribution
19 network which assists utilities in reducing non-revenue water. AWWA supports
20 the metering of all water received into a utility system and all water distributed
21 from the system at the customer's point of service.

22 **Q. DID ORS REVIEW GOAT ISLAND'S PROPOSED PHASE II RATES?**

1 A. Yes. However, ORS is unable to determine if the Phase II rates proposed
2 by Goat Island are just and reasonable. Goat Island has provided very limited
3 supporting justification for this Phase II rates in its Application and it did not
4 propose to include costs such as meter reading services. Goat Island did provide
5 ORS with quotes from vendors to supply and install meters throughout their
6 service territory.

7 **Q. IF THE COMMISSION APPROVES PHASE II RATES FOR GOAT**
8 **ISLAND, HOW DOES ORS RECOMMEND THE PHASE II RATES BE**
9 **IMPLEMENTED?**

10 A. 26 S.C. Ann. Regs 103-724(B) (Supp. 2007) allows Goat Island to
11 implement metered rates by service area after meters have been installed. ORS
12 respectfully requests in accordance with this regulation that the Commission
13 require Goat Island to undergo a review by ORS prior to implementing metered
14 rates to determine if the utility should utilize meters and to verify that Goat Island
15 has maintained its books and records in accordance to the NARUC Uniform
16 System of Accounts for at least twelve consecutive months. Should the review
17 reveal noncompliance with the Commission's order in this matter, Goat Island
18 should be prohibited from implementing Phase II of the rate increase until further
19 Order of the Commission. Goat Island should be required by the Commission to
20 be in compliance with all directives, orders, and regulations of this Commission
21 before being permitted to implement Phase II of the rate increase requested in this
22 docket.

1 **Q. WHAT OPERATING MARGIN DOES ORS RECOMMEND FOR GOAT**
2 **ISLAND IN THIS RATE CASE?**

3 A. Using ORS' proposed adjustments for the test year ending June 30, 2007,
4 the Operating Margin computed by ORS for Goat Island is 8.92%. Goat Island's
5 proposed increase, with ORS proposed adjustments, would generate an operating
6 margin of 24.49%. ORS recommends an operating margin range of 10-15%
7 which will provide a prudent balance between the consumer's need for affordable,
8 quality services and Goat Island's financial health. It is the position of ORS that
9 this operating margin range, as recommended, is fair and reasonable and balances
10 the overall public interest. I would request the Commission approve rates that
11 would produce an operating margin within this range.

12 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

13 A. Yes it does.

**REVIEW OF WATER AND WASTEWATER SERVICES
GOAT ISLAND WATER AND SEWER COMPANY, INC.
DOCKET: 2008-142-WS**

The Office of Regulatory Staff (“ORS”) of South Carolina performed a Business Compliance audit of the revenue, customer complaint, and customer account records of Goat Island Water and Sewer Company, Inc. (“Goat Island”) in preparation for this rate case. Goat Island currently provides water, water distribution, wastewater collection and treatment services to commercial and residential customers in Clarendon County of South Carolina. According to Goat Island’s application for the test year ending June 30, 2007, water supply and distribution services were provided to 623 residential and commercial customers, and wastewater collection and treatment services were provided to 96 residential and commercial customers.

The ORS Consumer Services Department received 8 consumer complaints regarding Goat Island within the three year record retention period. These complaints were for various forms of service and billing concerns (3 – rates charged, 1 – billing complaint, and 4 – service complaints). Since the Notice of Filing was mailed to Goat Island’s customers, the Public Service Commission has received no Petitions to Intervene and no Letters of Protest.

ORS determined Goat Island provides adequate water supply and distribution service and wastewater collection and treatment service. During Goat Island’s latest sanitary survey, DHEC rated the various water systems as “Satisfactory.”

The following 2 pages provide a summary of the ORS Business Compliance Audit results.



ORS BUSINESS OFFICE COMPLIANCE REVIEW: Water/Sewer Company

Utility: Goat Island Water & Sewer Co., Inc.
 Inspector: Willie Morgan
 Office: 2039 Lake Marion Shores Road, Summerton, South Carolina 29148
 Utility Type: Water & Sewer
 Date: July 8, 2008
 Company Representative: Billie Ann Oliver, Timothy Oliver, & Jaimee Garrett

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
1	All records and reports available for examination in accordance with R.103-510 and R. 103-710.	X		
2	Complaint records maintained in accordance with R.103-516 and R. 103-716.	X		
3	Utility's rates, its rules and regulations, and its up-to-date maps and plans available for public inspection in accordance with R.103-530 and R.103-730.	X		
4	Established procedures to assure that every customer making a complaint is made aware that the utility is under the jurisdiction of the South Carolina Public Service Commission and that the customer has the right to register the complaint in accordance with R.103-530 and R. 103-730.	X		
5	Deposits charged within the limits established by R.103-531 and R. 103-731.	N/A	N/A	No deposits charged. Customers are billed in advance.
6	Timely and accurate bills being rendered to customers in accordance with R.103-532 and R.103-732.	X		
7	Bill forms in accordance with R.103-532 and R.103-732.	X		
8	Adjustments of bills handled in accordance with R.103-533 and 103-733.	X		Bills are prorated for customers staying part of the month.
9	Policy for customer denial or discontinuance of service in accordance with R.103-535 and 103-735.	X		
10	Notices sent to customers prior to termination in accordance with Rule R.103-535 and 103-735.	X		
11	Notices filed with the Commission of any violation of PSC or DHEC rules which affect service provided to its customers in accordance with rule R.103-514-C and 103-714-C.	X		

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
12	Utility has adequate means (telephone, etc.) whereby each customer can contact the water and/or wastewater utility at all hours in case of emergency or unscheduled interruptions or service in accordance with R.103-530 and 103-730.	X		
13	Records maintained of any condition resulting in any interruption of service affecting its entire system or major division, including a statement of time, duration, and cause of such an interruption in accordance with R.103-514 and 103-714.	X		
14	Utility advised the Commission, in accordance with Rule 103-512 of the name, title, address and telephone number of the person who should be contacted in connection with general management duties, customer relations, engineering operations, and emergencies during non-office hours.	X		
15	Utility verified the maps on file with the Commission include all the service area of the company.	X		
16	Number of customers the utility has at present time.	N/A	N/A	614 residential and commercial water customers. 93 residential and commercial sewer customers.
17	Utility has a current performance bond on file with the Commission. Amount of bond:	X		
18	Utility maintains a documented Safety Program.	X		
19	Utility maintains a documented Emergency Response plan.	X		
20	Utility maintains a documented Preventative Maintenance plan.	X		
21	Utility submitted a current Annual Report.	X		Received April 30, 2008
22	Utility is in compliance with Gross Receipts reporting and payment regulations.	X		



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected:	July 8, 2008
Inspector Name:	Willie Morgan
Docket Number:	2008-142-WS
Utility Name:	Goat Island Water & Sewer Company, Inc. (<i>Goat Island</i>)
Utility Representative:	Mr. Tim Oliver & assistant
Number of Customers:	95
System Type (collection, force main, lagoon, etc):	Collection and lagoon treatment with sprayfield
Location of System:	Wash Davis Road, Clarendon County
Location of Utility Office:	2039 Lake Marion Shores Road, Summerton, South Carolina 29148
Treatment Type:	Biological
Permit #:	ND0067318
Last SC DHEC Compliance Rating:	Unknown
Frequency checked by WWTF Operator:	5 days per week approved by DHEC
Drinking Water Provider:	Goat Island Water & Sewer Company, Inc.

Inspection Results

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		Chlorine tablets
2	Other chemicals in use			None being used
3	Aerators present	X		4 aerators operating on timers
4	Plant fenced and locked	X		
5	Warning Signs Visible		X	Signage lacking utility name and phone number. ¹
6	Fence in good condition	X		
7	Dikes in good condition	X		
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	X		
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		Effluent clear
14	Lift Stations present	X		1 lift station for influent; 1 pump station for effluent discharge to sprayfield
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		Opportunity for expansion exists.

Additional Comments: Before leaving for the day, Mr. Oliver stated that the signage with the utility name and telephone number had been added.



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: July 8, 2008
 Inspector Name: Willie Morgan
 Docket Number: 2008-142-WS
 Utility Name: Goat Island Water and Sewer Company, Inc. (*Goat Island*)
 Utility Representative: Mr. Tim Oliver & assistant
 Number of Customers: 95 per DHEC records
 System Type (distribution, well, etc): Wells, storage, and distribution system
 Location of System: Wash Davis Road, Clarendon County
 Location of Utility Office: 2039 Lake Marion Shores Rd, Summerton, SC 29148
 Treatment Type: Chlorination
 Permit #: 1470852
 Last SC DHEC Compliance Rating: Satisfactory
 Frequency checked by Licensed Operator: Daily by a licensed operator
 Wastewater Provider: Goat Island Water and Sewer Company, Inc.

Inspection Overview

	System Components Inspected	Specific Type	#	PSI	Capacity	Compliance		Comments
						Yes	No	
1	Well Sites	Bored	2	65		X		Well #3 out of service
2	Pump Houses	Masonite/Concrete	1			X		Well #2 has no pump house
3	Storage Tank	Pressurized	1	60	20,000g	X		
3a	Storage Tank	Non-Pressurized	0					
3b	Storage Tank	Overhead	0					
4	Chlorinator		1			X		Liquid chlorine - 15 gpd.
5	Other Chemicals in use							None
6	Meters		95			X		Not used. Flat rate applies.
7	Fire Hydrants		0					None
8	Electrical Wiring acceptable					X		
9	Piping acceptable					X		
10	Water free of air					X		
11	Water free of sand					X		
12	Water clarity					X		
13	System free of leaks					X		
14	Water free of observed odor					X		
15	Access road adequate					X		
16	Ability for service area to expand					X		Opportunity for expansion exists.

Additional Comments: Current owner has been operating the system since October 2004.



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: July 8, 2008
 Inspector Name: Willie Morgan
 Docket Number: 2009-142-WS
 Utility Name: Goat Island Water and Sewer Company, Inc. (*Sigfield*)
 Utility Representative: Mr. Tim Oliver and assistant
 Number of Customers: 87 residential and 1 commercial
 System Type (distribution, well, etc): 2 wells and distribution
 Location of System: Clarendon County
 Location of Utility Office: 2039 Lake Marion Shores Rd, Summerton, SC 29148
 Treatment Type: None
 Permit #: 1450006
 Last SC DHEC Compliance Rating: Satisfactory
 Frequency checked by Licensed Operator: Weekly
 Wastewater Provider: Septic

Inspection Overview

	System Components Inspected	Specific Type	#	P S I	Capacity	Compliance		Comments
						Yes	No	
1	Well Sites		2			X		
2	Pump Houses		0					
3	Storage Tank	Pressurized	1		5k gallons	X		
3a	Storage Tank	Non-Pressurized						
3b	Storage Tank	Overhead						
4	Chlorinator							None
5	Other Chemicals in use							None
6	Meters			1		X		commercial customer only
7	Fire Hydrants			0				None
8	Electrical Wiring acceptable					X		
9	Piping acceptable					X		
10	Water free of air					X		
11	Water free of sand					X		
12	Water clarity					X		
13	System free of leaks					X		
14	Water free of observed odor					X		
15	Access road adequate					X		
16	Ability for service area to expand					X		Opportunity for expansion exists.

Additional Comments: This system was transferred to Goat Island Water and Sewer Company, Inc. in 2007 by PSC.



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: July 8, 2008
 Inspector Name: Willie Morgan
 Docket Number: 2009-142-WS
 Utility Name: Goat Island Water and Sewer Company, Inc. (*Haynesworth Mill*)
 Utility Representative: Mr. Tim Oliver and assistant
 Number of Customers: 9
 System Type (distribution, well, etc): 2 wells and distribution
 Location of System: Wash Davis Road, Clarendon County
 Location of Utility Office: 2039 Lake Marion Shores Rd, Summerton, SC 29148
 Treatment Type: None
 Permit #: 1450008
 Last SC DHEC Compliance Rating: Satisfactory
 Frequency checked by Licensed Operator: Weekly
 Wastewater Provider: Septic

Inspection Overview

	System Components Inspected	Specific Type	#	P S I	Capacity	Compliance		Comments
						Yes	No	
1	Well Sites		1			X		
2	Pump Houses		1					
3	Storage Tank	Pressurized						
3a	Storage Tank	Non-Pressurized	6		~1k gals.	X		all are bladder tanks
3b	Storage Tank	Overhead						
4	Chlorinator							None
5	Other Chemicals in use							None
6	Meters			0				None
7	Fire Hydrants			0				None
8	Electrical Wiring acceptable					X		
9	Piping acceptable					X		
10	Water free of air					X		
11	Water free of sand					X		
12	Water clarity					X		
13	System free of leaks					X		
14	Water free of observed odor					X		
15	Access road adequate					X		
16	Ability for service area to expand					X		Opportunity for expansion exists.

Additional Comments: This system was transferred to Goat Island Water and Sewer Company, Inc. in 2007 by PSC. It has one blow-off point and no treatment.



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: July 8, 2008
 Inspector Name: Willie Morgan
 Docket Number: 2008-142-WS
 Utility Name: Goat Island Water and Sewer Company, Inc. (*Gin Pond Shores*)
 Utility Representative: Mr. Tim Oliver and assistant
 Number of Customers: 66 Gin Pond Shores
 System Type (distribution, well, etc): 2 Wells and distribution system
 Location of System: Gin Pond Shores subdivision, Clarendon County
 Location of Utility Office: 2039 Lake Marion Shores Rd, Summerton, SC 29148
 Treatment Type: None
 Permit #: 1450005
 Last SC DHEC Compliance Rating: Satisfactory
 Frequency checked by Licensed Operator: Distribution operator only
 Wastewater Provider: Septic Tanks

Inspection Overview

	System Components Inspected	Specific Type	#	PSI	Capacity	Compliance		Comments
						Yes	No	
1	Well Sites	Bored	2	65		X		1 well operating full time; 1 well operates on-demand
2	Pump Houses	Concrete	2			X		
3	Storage Tank	Pressurized	1	60	10k gals	X		
3a	Storage Tank	Non-Pressurized	0					
3b	Storage Tank	Overhead	0					
4	Chlorinator		0					None
5	Other Chemicals in use							None
6	Meters		0					None
7	Fire Hydrants		0					None
8	Electrical Wiring acceptable					X		
9	Piping acceptable					X		PVC piping throughout system
10	Water free of air					X		
11	Water free of sand					X		
12	Water clarity					X		
13	System free of leaks					X		
14	Water free of observed odor					X		
15	Access road adequate					X		
16	Ability for service area to expand					X		Opportunity for expansion exists.

Additional Comments: System was built in 1970's and acquired by E & R in 1990. It has 2 4-inch wells and no treatment.



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: July 8, 2008
 Inspector Name: Willie Morgan
 Docket Number: 2008-142-WS
 Utility Name: Goat Island Water and Sewer Company, Inc. (*Wyboo Pointe*)
 Utility Representative: Mr. Tim Oliver and assistant
 Number of Customers: 141
 System Type (distribution, well, etc): Well, storage, and distribution system
 Location of System: Wyboo Pointe, Mocking Bird Lane, Clarendon County
 Location of Utility Office: 2039 Lake Marion Shores Rd, Summerton, SC 29148
 Treatment Type: Chlorination
 Permit #: 1550009
 Last SC DHEC Compliance Rating: Satisfactory
 Frequency checked by Licensed Operator: Daily
 Wastewater Provider: Septic Tanks

Inspection Overview

	System Components Inspected	Specific Type	#	PSI	Capacity	Compliance		Comments
						Yes	No	
1	Well Sites	Bored	2	65		X		Well # 1 operating; Well #2 operates on-demand
2	Pump Houses	Concrete	2			X		
3	Storage Tank	Pressurized	1	60	20k gals	X		
3a	Storage Tank	Non-Pressurized	0					
3b	Storage Tank	Overhead	0					
4	Chlorinator		1			X		Liquid chlorine. Injector chamber under construction.
5	Other Chemicals in use							None
6	Meters		0					None
7	Fire Hydrants		0					None
8	Electrical Wiring acceptable					X		
9	Piping acceptable					X		PVC piping throughout system
10	Water free of air					X		
11	Water free of sand					X		
12	Water clarity					X		
13	System free of leaks					X		
14	Water free of observed odor					X		
15	Access road adequate					X		
16	Ability for service area to expand					X		Opportunity for expansion exists.

Additional Comments: Current owner has been operating the system since 1990. There are 2 6-inch wells located approximately one-tenth of a mile apart.



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: July 8, 2008
 Inspector Name: Willie Morgan
 Docket Number: 2008-142-WS
 Utility Name: Goat Island Water and Sewer Company, Inc. (*Lake Marion Shores*)
 Utility Representative: Mr. Tim Oliver and assistant
 Number of Customers: 219 Lake Marion Shores
 System Type (distribution, well, etc): Wells, storage, and distribution system
 Location of System: Lake Marion Shores subdivision, Clarendon County
 Location of Utility Office: 2039 Lake Marion Shores Rd, Summerton, SC 29148
 Treatment Type: Chlorination
 Permit #: 1450002
 Last SC DHEC Compliance Rating: Satisfactory
 Frequency checked by Licensed Operator: Daily
 Wastewater Provider: Septic Tanks

Inspection Overview

	System Components Inspected	Specific Type	#	PSI	Capacity	Compliance		Comments
						Yes	No	
1	Well Sites	Bored	4	65		X		2 wells operating full time; 2 wells operate on-demand
2	Pump Houses	Wood Shed	2			X		Sheds in need of repair
3	Storage Tank	Pressurized	1		1500 g	X		
3a	Storage Tank	Non-Pressurized	7		200 g	X		Bladder tanks
3b	Storage Tank	Overhead	0					
4	Chlorinator		2			X		Liquid chlorine at both sites
5	Other Chemicals in use							None
6	Meters		0					None
7	Fire Hydrants		0					None
8	Electrical Wiring acceptable					X		
9	Piping acceptable					X		PVC piping throughout system
10	Water free of air					X		
11	Water free of sand					X		
12	Water clarity					X		
13	System free of leaks					X		
14	Water free of observed odor					X		
15	Access road adequate					X		
16	Ability for service area to expand					X		Opportunity for expansion exists.

Additional Comments: There are four wells (2 wells at each site). The two sites are located approximately one-tenth of a mile apart.

Goat Island Water and Sewer Company, Inc.
2008-142-WS
Service Revenue Impact

Exhibit WJM-3

Goat Island Water & Sewer Company, Inc. Test Year Revenues at Current Rates

Service Type	Classification	Customer	Consumption in Gallons	Usage Charge per 1000 gal. up to 2,000 gal.	Usage Charge per 1,000 gal. from 2,001 to 5,000 gal.	Usage Charge per 1,000 gal. over 5,000 gal.	Usage Charge per 1,000 gal.	Service Units*	Base Facility Charge (BFC)	Test Year Calculated Revenues
WATER	Residential	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	223	\$19.00	\$50,844
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	66	\$19.00	\$15,048
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	8	\$19.00	\$1,824
		Sigfield	0	\$0.00	\$0.00	\$0.00	\$0.00	87	\$34.00	\$35,496
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	140	\$12.00	\$20,160
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	94	\$30.00	\$33,840
		Residential Water Service Total						618		\$157,212
	Commercial	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Sigfield (3/4 inch Tap)	0	\$3.00	\$3.18	\$3.35	\$0.00	0	\$83.00	\$0
		Sigfield (1 inch Tap)	0	\$3.00	\$3.18	\$3.35	\$0.00	1	\$123.00	\$1,476
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$12.00	\$0
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	1	\$67.50	\$810
	Commercial Water Service Total						2		\$2,286	
	TOTAL WATER SERVICE REVENUE							620		\$159,498
SEWER	Residential	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Sigfield	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	94	\$30.00	\$33,840
		Residential Sewer Service Total						94		\$33,840
	Commercial	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Sigfield (3/4 inch Tap)	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Sigfield (1 inch Tap)	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	1	\$67.50	\$810
	Commercial Sewer Service Total						1		\$810	
	TOTAL SEWER SERVICE REVENUE									\$34,650
COMBINED OPERATIONS REVENUE									\$194,148	
Access Fee (Gin Pond Customers)							7	\$2.00	\$168	
TOTAL OPERATING REVENUE									\$194,316	

Customer Tap Fees and Reconnection Fees are not included in any of the above computations.

* Includes irrigation service units

Goat Island Water and Sewer Company, Inc.
2008-142-WS
Service Revenue Impact

Exhibit WJM-3

Goat Island Water & Sewer Company, Inc. Revenues at Proposed Rates - Phase I

Service Type	Classification	Customer	Consumption in Gallons	Usage Charge per 1000 gal. up to 2,000 gal.	Usage Charge per 1,000 gal. from 2,001 to 5,000 gal.	Usage Charge per 1,000 gal. over 5,000 gal.	Usage Charge per 1,000 gal.	Service Units*	Base Facility Charge (BFC)	Test Year Proposed Revenues	Increase Amount	% Increase
WATER	Residential	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	223	\$30.00	\$80,280	\$29,436	57.9%
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	66	\$30.00	\$23,760	\$8,712	57.9%
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	8	\$30.00	\$2,880	\$1,056	57.9%
		Sigfield	0	\$0.00	\$0.00	\$0.00	\$0.00	87	\$34.00	\$35,496	\$0	0.0%
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	140	\$24.00	\$40,320	\$20,160	100.0%
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	94	\$30.00	\$33,840	\$0	0.0%
		Residential Water Service Total						618		\$216,576	\$59,364	37.8%
	Commercial	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$30.00	\$0	\$0	N/A
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$30.00	\$0	\$0	N/A
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$30.00	\$0	\$0	N/A
		Sigfield (3/4 inch Tap)	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$34.00	\$0	\$0	N/A
		Sigfield (1 inch Tap)	0	\$0.00	\$0.00	\$0.00	\$0.00	1	\$34.00	\$408	-\$1,068	-72.4%
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$24.00	\$0	\$0	N/A
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	1	\$30.00	\$360	-\$450	-55.6%
		Commercial Water Service Total						2		\$768	-\$1,518	-66.4%
	TOTAL WATER SERVICE REVENUE							620		\$217,344	\$57,846	36.3%
SEWER	Residential	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Sigfield	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	94	\$30.00	\$33,840	\$0	0.0%
		Collection Only	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$20.00	\$0	\$0	0.0%
		Residential Sewer Service Total						94		\$33,840	\$0	0.0%
	Commercial**	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Sigfield (3/4 inch Tap)	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	3.4875	\$30.00	\$1,256	\$446	55.1%
		Collection Only	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$20.00	\$0	\$0	0.0%
		Commercial Sewer Service Total						3.4875		\$1,256	\$446	55.1%
	TOTAL SEWER SERVICE REVENUE							97.4875		\$35,096	\$446	1.3%
COMBINED OPERATIONS REVENUE										\$252,440	\$58,292	30.0%
Access Fee (Gin Pond Customers)								7	\$2.00	\$168	\$0	0.0%
TOTAL OPERATING REVENUE										\$252,608	\$58,292	30.0%

Customer Tap Fees and Reconnection Fees are not included in any of the above computations.

** Commercial sewer customer units are based on SFE

Goat Island Water and Sewer Company, Inc.
2008-142-WS
Service Revenue Impact

Exhibit WJM-3

Goat Island Water & Sewer Company, Inc. Revenues at Proposed Rates - Phase II

Service Type	Classification	Customer	Consumption in Gallons	Usage Charge per 1000 gal. up to 2,000 gal.	Usage Charge per 1,000 gal. from 2,001 to 5,000 gal.	Usage Charge per 1,000 gal. over 5,000 gal.	Usage Charge per 1,000 gal.	Service Units*	Base Facility Charge (BFC)	Test Year Proposed Revenues	Increase Amount	% Increase
WATER	Residential	Lake Marion Shores	14,718,000	\$0.00	\$0.00	\$0.00	\$2.50	223	\$23.00	\$98,343	\$47,499	93.4%
		Gin Pond Shores	4,356,000	\$0.00	\$0.00	\$0.00	\$2.50	66	\$23.00	\$29,106	\$14,058	93.4%
		Haynesworth Mill	528,000	\$0.00	\$0.00	\$0.00	\$2.50	8	\$23.00	\$3,528	\$1,704	93.4%
		Sigfield	5,742,000	\$0.00	\$0.00	\$0.00	\$2.50	87	\$23.00	\$38,367	\$2,871	8.1%
		Wyboo Pointe	9,240,000	\$0.00	\$0.00	\$0.00	\$2.50	140	\$23.00	\$61,740	\$41,580	206.3%
		Goat Island	6,204,000	\$0.00	\$0.00	\$0.00	\$2.50	94	\$23.00	\$41,454	\$7,614	22.5%
	Residential Water Service Total		40,788,000					618		\$272,538	\$115,326	73.4%
	Commercial	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$2.50	0	\$23.00	\$0	\$0	N/A
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$2.50	0	\$23.00	\$0	\$0	N/A
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$2.50	0	\$23.00	\$0	\$0	N/A
		Sigfield (3/4 inch Tap)	0	\$0.00	\$0.00	\$0.00	\$2.50	0	\$23.00	\$0	\$0	N/A
		Sigfield (1 inch Tap)	66,000	\$0.00	\$0.00	\$0.00	\$2.50	1	\$23.00	\$441	-\$1,035	-70.1%
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$2.50	0	\$23.00	\$0	\$0	N/A
		Goat Island	66,000	\$0.00	\$0.00	\$0.00	\$2.50	1	\$23.00	\$441	-\$369	-45.6%
	Commercial Water Service Total		132,000					2		\$882	-\$1,404	-61.4%
	TOTAL WATER SERVICE REVENUE		40,920,000					620		\$273,420	\$113,922	71.4%
SEWER	Residential	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Sigfield	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	94	\$30.00	\$33,840	\$0	0.0%
		Collection Only	1	\$0.00	\$0.00	\$0.00	\$0.00	0	\$20.00	\$0	\$0	0.0%
	Residential Sewer Service Total							94		\$33,840	\$0	0.0%
	Commercial	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Sigfield (3/4 inch Tap)	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	3.4875	\$30.00	\$1,256	\$446	55.1%
		Collection Only	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$20.00	\$0	\$0	0.0%
	Commercial Sewer Service Total							3.4875		\$1,256	\$446	55.1%
TOTAL SEWER SERVICE REVENUE							97.4875		\$35,096	\$446	1.3%	
COMBINED OPERATIONS REVENUE										\$308,516	\$114,368	58.9%
Access Fee (Gin Pond Customers)							7	\$2.00		\$168	\$0	0.0%
TOTAL OPERATING REVENUE										\$308,684	\$114,368	58.9%

Customer Tap Fees and Reconnection Fees are not included in any of the above computations.

Phase II rates are computed based on an average consumption of 5,500 gallons per month per customer tap.

** Commercial sewer customer units are based on SFE

Goat Island Water and Sewer Company, Inc.

Exhibit WJM-4

2008-142-WS

Customer Growth Analysis

			July 1, 2006	June 30, 2007	August 15, 2008	Average for July 1, 2006 to June 30, 2007	Growth Factor for July 1, 2006 to June 30, 2007
Service Type	Classification	Customer	Service Units	Service Units	Service Units	Service Units	
WATER	Residential	Lake Marion Shores	222	223	219	222.5	0.002247
		Gin Pond Shores	66	66	65	66.0	0.000000
		Haynesworth Mill	8	8	8	8.0	0.000000
		Sigfield	87	87	87	87.0	0.000000
		Wyboo Pointe	130	140	141	135.0	0.037037
		Goat Island	93	94	92	93.5	0.005348
	Residential Water Service Total		606	618	612	612.0	0.009804
	Commercial	Lake Marion Shores	0	0	0	0.0	N/A
		Gin Pond Shores	0	0	0	0.0	N/A
		Haynesworth Mill	0	0	0	0.0	N/A
		Sigfield (3/4 inch Tap)	0	0	0	0.0	N/A
		Sigfield (1 inch Tap)	1	1	1	1.0	0.000000
		Wyboo Pointe	0	0	0	0.0	N/A
		Goat Island	2	1	1	1.5	-0.333333
	Commercial Water Service Total		3	2	2	2.5	-0.200000
	TOTAL WATER SERVICE		609	620	614	614.5	0.008950
SEWER	Residential	Lake Marion Shores	0	0	0	0.0	N/A
		Gin Pond Shores	0	0	0	0.0	N/A
		Haynesworth Mill	0	0	0	0.0	N/A
		Sigfield	0	0	0	0.0	N/A
		Wyboo Pointe	0	0	0	0.0	N/A
		Goat Island	93	94	92	93.5	0.005348
	Residential Sewer Service Total		93	94	92	93.5	0.005348
	Commercial	Lake Marion Shores	0	0	0	0.0	N/A
		Gin Pond Shores	0	0	0	0.0	N/A
		Haynesworth Mill	0	0	0	0.0	N/A
		Sigfield (3/4 inch Tap)	0	0	0	0.0	N/A
		Sigfield (1 inch Tap)	0	0	0	0.0	N/A
		Wyboo Pointe	0	0	0	0.0	N/A
		Goat Island	2	1	1	1.5	-0.333333
	Commercial Sewer Service Total		2	1	1	1.5	-0.333333
	TOTAL SEWER SERVICE		95	95	93	95.0	0.000000

Goat Island Water and Sewer Company, Inc.
2008-142-WS
Current and Proposed Rates and Charges

Exhibit WJM-5

WATER SERVICE

	<u>Current</u>	<u>Proposed Phase I</u>	<u>Proposed Phase II</u>
1.			
Monthly Charges			
<u>Residential</u>			
Goat Island Commodity Charge	\$30.00 per unit	\$30.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons
Lake Marion Shores/Gin Pond Commodity Charge	\$19.00 per unit	\$30.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons
Haynesworth Mill Commodity Charge	\$19.00 per unit	\$30.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons
Sigfield Water Company, Inc. Commodity Charge	\$34.00 per unit	\$34.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons
Wyboo Water Department Commodity Charge	\$12.00 per unit	\$24.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons
<u>Commercial</u>			
Goat Island Commodity Charge	\$67.50 per unit	\$30.00 per unit	\$23.00 per unit \$2.50 per 1,000
Sigfield Water Company, Inc. (3/4" Tap) Commodity Charge	\$83.00 per unit \$3.00 per 1000 gallons (1st 2000 gallons)	\$30.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons
Commodity Charge	\$3.18 per 1000 gallons (2001 to 5000 gallons)		
Commodity Charge	\$3.35 per 1000 gallons (over 5000 gallons)		
Sigfield Water Company, Inc. (1" Tap) Commodity Charge	\$123.00 per unit \$3.00 per 1000 gallons (1st 2000 gallons)	\$30.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons
Commodity Charge	\$3.18 per 1000 gallons (2001 to 5000 gallons)		
Commodity Charge	\$3.35 per 1000 gallons (over 5000 gallons)		
2.			
Tap Fees			
Goat Island			
Residential:	\$450.00 per unit	\$450.00 per unit	\$450.00 per unit
Commercial:	\$450.00 per SFE	\$450.00 per SFE	\$450.00 per SFE
Lake Marion Shores/Gin Pond	\$200.00 per unit	\$200.00 per unit	\$200.00 per unit
Haynesworth Mill	\$200.00 per unit	\$200.00 per unit	\$200.00 per unit
Sigfield Water Company, Inc.	\$500.00 per unit	\$500.00 per unit	\$500.00 per unit
Wyboo Water Department	\$450.00 per unit	\$450.00 per unit	\$450.00 per unit

Goat Island Water and Sewer Company, Inc.
2008-142-WS
Current and Proposed Rates and Charges

Exhibit WJM-5

WATER SERVICE (continued)

3.
Reconnection Charges

Goat Island	\$0.00 per unit	\$0.00 per unit	\$0.00 per unit
Lake Marion Shores/Gin Pond	\$50.00 per unit	\$50.00 per unit	\$50.00 per unit
Haynesworth Mill	\$50.00 per unit	\$50.00 per unit	\$50.00 per unit
Sigfield	\$0.00 per unit	\$0.00 per unit	\$0.00 per unit
Wyboo Pointe	\$30.00 per unit	\$30.00 per unit	\$30.00 per unit

Goat Island Water and Sewer Company, Inc.
2008-142-WS
Current and Proposed Rates and Charges
SEWER SERVICE

Exhibit WJM-5

CURRENT RATES AND CHARGES

Goat Island

Residential Monthly Charges	\$30.00 per unit
Commercial Monthly Charges	\$67.50 per unit
Tap Fee	\$450 per unit

PROPOSED RATES AND CHARGES

1.
Monthly Charges

Residential - monthly charge per single-family house, condominium, villa, or apartment unit	\$30.00 per unit
Mobile Homes - monthly charge	\$23.00 per unit
Commercial - monthly charge	\$30.00 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Charge for Sewer Collection Only

When sewage is collected by the utility and transferred to a government body or agency, or other entity, for treatment, the utility's rates are as follows:

Residential - monthly charge per single-family house, condominium, mobile home, or apartment unit	\$20.00 per unit
Commercial - monthly charge per single-family equivalent	\$20.00 per SFE*

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup. The Utility shall give the Commission thirty days notice of its intent to pass-through to customers treatment charges which are higher than those in effect at the time of the Commission's approval of the within rate schedule. The Utility shall provide with such notice written documentation of an increase by the provider of treatment services justifying the increase in the amount of treatment charges sought to be passed-through to affected customers. In the event that an increase in the amount of treatment charges to be passed through to customers rate is found by the Commission to be so justified, the utility will then be required to give customers an additional thirty days notice before the increase in the treatment charges to be passed through may be put into effect.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

Goat Island Water and Sewer Company, Inc.
2008-142-WS
Current and Proposed Rates and Charges

Exhibit WJM-5

SEWER SERVICE (continued)

Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for pumping the tank and will include \$150.00 as a separate item in the next regular billing to the customer.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement and may be paid for over a one year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such a visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

2.

Nonrecurring Charges

Tap Fee	\$500 per SFE*
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The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3.

Notification, Account Set-Up and Reconnection Charges

a. Notification Fee

A fee of ten dollars (\$10.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

b. Customer Account Charge - for new customers only.

All Areas	\$25.00
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A one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected.

Goat Island Water and Sewer Company, Inc.
2008-142-WS
Current and Proposed Rates and Charges

Exhibit WJM-5

SEWER SERVICE (continued)

4.
Billing Cycle

Recurring charges will be billed monthly, in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5.
Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

6.
Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service, unless treatment capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving sewer system. In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

* A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities --25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2006), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

Goat Island Water and Sewer Company, Inc.
2008-142-WS
Performance Bond Requirement

Exhibit WJM-6

Goat Island Water and Sewer Company, Inc. - Water			
Bond Value Components	Revised Per Books	After ORS's Proposed Accounting & Pro forma Adjustments	After Applicant's Proposed Increase Recalculated By ORS
Ads	\$0	\$0	\$0
Gas	\$10,243	\$8,266	\$8,663
Bank Charges	\$553	\$382	\$400
Outside Labor	\$6,953	\$4,744	\$4,972
Insurance - Vehicles	\$998	\$999	\$1,047
Maintenance	\$0	\$0	\$0
Office Supplies & Postage	\$3,187	\$2,646	\$2,773
Accounting	\$2,020	\$2,021	\$2,118
Legal	\$15,270	\$3,039	\$3,185
Rent (sprayfield & equip.)	\$2,873	\$2,875	\$3,013
Repairs	\$7,570	\$7,155	\$7,498
Op. Supplies - Materials	\$13,511	\$8,812	\$9,235
Taxes - PSC & Utility & License	\$11,009	\$1,649	\$2,100
Taxes - Property	\$590	\$591	\$619
Salary - Non-owner	\$13,526	\$25,632	\$26,862
Payroll Taxes	\$1,352	\$2,196	\$2,301
Telephone	\$5,216	\$4,151	\$4,350
Water Analysis	\$15,592	\$15,602	\$16,352
Safe Drinking Water Act	\$0	\$0	\$0
Utilities	\$14,358	\$14,368	\$15,058
Dues	\$168	\$168	\$176
Permits	\$0	\$0	\$0
Management Fee	\$0	\$19,717	\$20,663
Unclassifieds - Miscellaneous	\$564	\$206	\$216
Rate Case Expenses	\$0	\$4,049	\$4,244
Income Tax (State and Federal)	\$0	\$3,368	\$15,302
Interest Expense	\$15,046	\$0	\$0
Bond Value Requirement	\$140,599	\$132,636	\$151,147

Goat Island Water and Sewer Company, Inc.
2008-142-WS

Exhibit WJM-6

Performance Bond Requirement

Goat Island Water and Sewer Company, Inc. - Wastewater			
Bond Value Components	Revised Per Books	After ORS's Proposed Accounting & Pro forma Adjustments	After Applicant's Proposed Increase Recalculated By ORS
Ads	\$0	\$0	\$0
Gas	\$2,234	\$1,796	\$1,399
Bank Charges	\$121	\$83	\$65
Outside Labor	\$1,516	\$1,031	\$803
Insurance - Vehicles	\$218	\$217	\$169
Maintenance	\$0	\$0	\$0
Office Supplies & Postage	\$695	\$575	\$448
Accounting	\$440	\$439	\$342
Legal	\$3,330	\$660	\$514
Rent (sprayfield & equip.)	\$627	\$625	\$487
Repairs	\$1,651	\$1,554	\$1,211
Op. Supplies - Materials	\$2,946	\$1,914	\$1,491
Taxes - PSC & Utility & License	\$2,401	\$358	\$339
Taxes - Property	\$129	\$128	\$100
Salary - Non-owner	\$2,949	\$5,568	\$4,338
Payroll Taxes	\$295	\$477	\$372
Telephone	\$1,137	\$902	\$703
Water Analysis	\$3,400	\$3,390	\$2,640
Safe Drinking Water Act	\$0	\$0	\$0
Utilities	\$3,131	\$3,121	\$2,431
Dues	\$37	\$37	\$29
Permits	\$0	\$0	\$0
Management Fee	\$0	\$4,283	\$3,337
Unclassifieds - Miscellaneous	\$123	\$45	\$35
Rate Case Expenses	\$0	\$880	\$685
Income Tax (State and Federal)	\$0	\$732	\$2,471
Interest Expense	\$3,281	\$0	\$0
Bond Value Requirement	\$30,661	\$28,815	\$24,409

**Goat Island Water and Sewer Company, Inc.
2008-142-WS**

Exhibit WJM-6

Performance Bond Requirement

Goat Island Water and Sewer, Inc. - Combined			
Bond Value Components	Revised Per Books	After ORS's Proposed Accounting & Pro forma Adjustments	After Applicant's Proposed Increase Recalculated By ORS
Ads	\$0	\$0	\$0
Gas	\$12,477	\$10,062	\$10,062
Bank Charges	\$674	\$465	\$465
Outside Labor	\$8,469	\$5,775	\$5,775
Insurance - Vehicles	\$1,216	\$1,216	\$1,216
Maintenance	\$0	\$0	\$0
Office Supplies & Postage	\$3,882	\$3,221	\$3,221
Accounting	\$2,460	\$2,460	\$2,460
Legal	\$18,600	\$3,699	\$3,699
Rent (sprayfield & equip.)	\$3,500	\$3,500	\$3,500
Repairs	\$9,221	\$8,709	\$8,709
Op. Supplies - Materials	\$16,457	\$10,726	\$10,726
Taxes - PSC & Utility & License	\$13,410	\$2,007	\$2,439
Taxes - Property	\$719	\$719	\$719
Salary - Non-owner	\$16,475	\$31,200	\$31,200
Payroll Taxes	\$1,647	\$2,673	\$2,673
Telephone	\$6,353	\$5,053	\$5,053
Water Analysis	\$18,992	\$18,992	\$18,992
Safe Drinking Water Act	\$0	\$0	\$0
Utilities	\$17,489	\$17,489	\$17,489
Dues	\$205	\$205	\$205
Permits	\$0	\$0	\$0
Management Fee	\$0	\$24,000	\$24,000
Unclassifieds - Miscellaneous	\$687	\$251	\$251
Rate Case Expenses	\$0	\$4,929	\$4,929
Income Tax (State and Federal)	\$0	\$4,100	\$17,773
Interest Expense	\$18,327	\$0	\$0
Bond Value Requirement	\$171,260	\$161,451	\$175,556
Current Performance Bond Structure (1)	Bond Value	Expiration Date	
Personal Financial Statement (Timothy Oliver)	\$200,000	01/28/09	
Total Financial Assurance	\$200,000		

(1) Personal Financial Statement secures performance bond of \$100,000 for water operations and \$100,000 for wastewater operations.